

**LOWER SHIELDS RIVER CANAL COMPANY**

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January 25, 2011

Subject: Further support for the FW&P Fish Ladder Project

To Whom It May Concern:

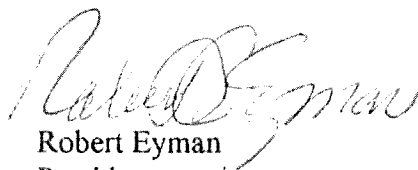
We have been asked to testify in Helena regarding the Fish Ladder Project proposed at the diversion dam that services the Lower Shields River Canal. Unfortunately, a representative from the Canal Company could not be present on the short notice given. We would like to address the benefits we see from this project as related to the Canal Company and its continued use of its 1904 water rights.

Much of the focus of the report relates to the benefits of the structure in terms of limiting Rainbow trout and other non-native species from areas above the structure. In the future, the Canal Company could be impacted by any laws and restrictions put into place to protect Yellowstone Cutthroat Trout in the Shields River drainage. It is to our advantage to continue to work with the FW&P in order to assure the continued operation and/or improvement of this structure.

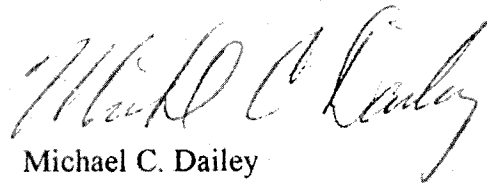
Total dam failure would have an obvious impact on our ability to deliver water to the canal during low and moderate river levels. Should this failure occur, the dam would be rebuilt in a way that would continue to deliver adequate water to the canal. By partnering with the FW&P, the design and function of the dam would benefit both the water users and the fishery.

The Lower Shields River Canal Company has supported the project in the hopes that this communication and partnership will be good for both the water users and the fishery. The structural analysis, just completed, is a benefit for both the proposed fish ladder and the water users. Any design that allows for debris passage during high water is also a priority for both. We will continue to support this project because we feel that co-operation will help reduce costs, improve the function and life of the dam, assure continued irrigation water, and benefit the fishery on the Shields River.

Sincerely,



Robert Eyman  
President  
Lower Shields River Canal Company



Michael C. Dailey  
Sec./Tres.  
Lower Shields River Canal Company